THE HON'BLE SRI. JUSTICE GODA RAGHURAM

W.P.No. 3260 of 2006

03-03-2006

Between:-

E. Konda Babu

Petitioner

And

Senior General Manager, Food Corporation of India, Regional Office, Hyderabad and another.

Respondents

THE HON'BLE MR. JUSTICE GODA RAGHURAM

W.P.No. 3260 of 2006

Oral order:

The petitioner is aggrieved that the respondents are not refunding a part of the security deposit amount, despite the contract between the parties having concluded with the completion of the work. The petitioner was awarded a contract of handling and transportation at the Mirstip, Food Corporation of India, Tadepalligudem for the period 25-12-2001 to 23-06-2003. The petitioner claims to have discharged the contractual work as per the terms and conditions of the contract. The petitioner deposited Rs.11,55,000-00 as security deposit at the time of entering into the contract. Despite the work under the contract having been completed, the security deposit is not yet returned, is the complaint in this writ petition.

The petitioner got issued a notice to the 2nd respondent seeking refund of the part of the security deposit allegedly withheld illegally. In response thereto, the 2nd

respondent on 19-03-2005 addressed the petitioner as follows:

> *"1. During the contract period 25-12-2001 to 24-12-2003 an amount of Rs.1,92,286/- was paid for rebagging operation under clause XIX Part.II-13(a) for collection of spillages from the bleeding bags that occur at the time of receipts and issues, is the responsibilities of the contractor for which no remuneration is payable. Hence while refunding security deposit, the above said amount was withheld by the competent authority as per Cl.XI 'g' of tender schedule.*
>
> *2. The corporation shall not be liable for payment of any interest on security deposit or any depreciation thereof for the time it is held by the corporation as demanded by you as per tender No. S & C 13(13)/2001 contd.II dated 28-04-2001 Annexure-XI (d).*
>
> *It is advised to contact the SRM, FCI, RO, Hyderabad for further details and release of withheld amount being the competent authority as the decision of the SRM shall be final and binding on the contractor."*

In this writ petition, the petitioner disputes his liability for any amount to the respondents and claims that the balance of the withheld security deposit should be returned.

Demonstrably, the dispute between the petitioner and the Food Corporation of India arise out of non-statutory contract and in respect of a post contractual stage. Such non-statutory post contractual disputes ought not to be adjudicated under Article 226 of the Constitution of India and the petitioner is required to avail the appropriate remedies before the civil court of competent jurisdiction or before an arbitrator, if there be an arbitration clause.

On the analysis above, the writ petition is dismissed. No costs.

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GODA RAGHURAM, J

Dated:03-03-2006

Pvks/*